

To: Fells, Sandy[Fells.Sandy@epa.gov]
Cc: Fallon, Gail[fallon.gail@epa.gov]; Dygowski, Laurel[Dygowski.Laurel@epa.gov]
From: Daly, Carl
Sent: Thur 8/1/2013 11:09:37 PM
Subject: RE: Question from Sen. Tom Harkin's (D-Iowa) office re WY Regional Haze issue

Sandy

Below are responses to the request from Sen. Harkin's office for information on our WY regional haze action specific to the Basin Electric Laramie River plant.

We also added, below the specific Laramie River responses, general information on our WY regional haze proposal taken from our comm strat. That may be too much additional information for the Senator's office at this time, but it might be helpful for OCIR to have it for future inquiries.

Carl Daly

303-312-6416

Wyoming Regional Haze State Implementation Plan and Federal Implementation Plan for Regional Haze: EPA's Proposed Action on Basin Electric's Laramie River Power Plant

History:

- On May 15, 2012, EPA proposed partial approval and partial disapproval of the Wyoming regional haze State Implementation Plan (SIP) and proposed a Federal Implementation Plan (FIP) for the SIP's deficiencies. EPA was to take final action in late 2012.

• In our May 15, 2012 proposed rulemaking, we proposed to disapprove the State's SIP as it pertained to Basin Electric's Laramie River Station Units 1-3. The State determined that the best available retrofit technology (BART) for these units was low-NOx burners (LNBs) with overfire

air (OFA). In our May 15, 2012, proposed rulemaking, we proposed a BART FIP for Laramie River Units 1-3 that required the installation of LNBS with OFA and selective non-catalytic reduction (SNCR). The costs we relied on in this action were costs submitted by the State in their regional haze plan.

- However, based on information submitted during the public comment period, EPA conducted its own cost and visibility improvement analysis and determined that a re-proposal was warranted. On June 10, 2013, we re-proposed action on Wyoming's regional haze SIP. We once again proposed to partially approve and partially disapprove the State's SIP and proposed a FIP for the SIPs deficiencies.
- In our June 10, 2013 proposed action, we proposed a BART FIP for Laramie River Units 1-3 that would require the installation of LNBS with OFA and selective catalytic reduction (SCR). SCR is more expensive than SNCR but achieves greater emission reductions.

Rationale

As stated in our proposed rulemaking, we found that the State's costs and visibility analysis submitted in their SIP did not meet the regional haze rule requirements.

Based on our analysis of the new cost and visibility modeling information, we determined that more stringent controls were warranted on Laramie River Units 1-3. (Detailed cost and modeling information can be found in our proposed rulemaking notice and in the docket). In our re-proposal, we found that "When considering the cost effectiveness and visibility improvement of new LNBS plus OFA and SCR, it is within the range of what EPA has found reasonable for BART in other SIP and FIP actions."

Status

- We held public hearings on June 24, 2013, and July 17, 2013, in Cheyenne Wyoming, and July 26, 2013, in Casper, Wyoming.

Public comments are due on or before August 26, 2013.

EPA is under a consent decree to take final action on our re-proposal by November 21, 2013

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Major Aspects of EPA's Proposal on Wyoming's Regional Haze Plan

- We are proposing approval of the State's Best Available Retrofit Technology (BART) determinations for nitrogen oxides (NO_x) for five electric generating units or "EGUs" [Jim Bridger Units 1-4 and Naughton Unit 3] and for four other units. We are proposing to approve all of the State's BART determinations for particulate matter (PM). We are proposing to approve the State's reasonable progress determinations for NO_x and PM for one source.
- We are proposing to find that some aspects of the Wyoming regional haze State Implementation Plan (SIP) are inconsistent with the regulatory and statutory requirements. As a result, we are proposing to disapprove:
 - o The State's NO_x BART determinations for PacifiCorp Dave Johnston Unit 3 and Unit 4, PacifiCorp Naughton Unit 1 and Unit 2, PacifiCorp Wyodak Unit 1, and Basin Electric Laramie River Units 1, 2, and 3.
 - o The State's NO_x reasonable progress determination for PacifiCorp Dave Johnston Units 1 and 2.
 - o Wyoming's Reasonable Progress Goals (RPGs).
 - o The State's monitoring, recordkeeping, and reporting requirements in Chapter 6.4 of the SIP.
 - o Portions of the State's long-term strategy (LTS) that rely on or reflect other aspects of the regional haze SIP.
 - o The requirements for the coordination of the review of the reasonably attributable visibility impairment (RAVI) and the regional haze LTS.

- We are proposing a Federal Implementation Plan (FIP) for regional haze to replace the provisions of the SIP we are proposing to disapprove. We are proposing the following:
 - o More stringent NO_x BART determinations and limits for PacifiCorp Dave Johnston Unit 3 and Unit 4, PacifiCorp Naughton Unit 1 and Unit 2, PacifiCorp Wyodak Unit 1, and Basin Electric Laramie River Units 1, 2, and 3.
 - o More stringent NO_x reasonable progress determinations and limits for PacifiCorp Dave Johnston Units 1 and 2.
 - o RPGs consistent with the SIP limits proposed for approval and the proposed FIP limits.
 - o Monitoring, recordkeeping, and reporting requirements applicable to all BART and reasonable progress sources for which there is a SIP or FIP emissions limit.
 - o LTS elements pertaining to emission limits and compliance schedules for the proposed BART and reasonable progress FIP emission limits.
 - o Provisions to ensure the coordination of the RAVI and regional haze LTS.

- EPA has been working with Wyoming, as it has with states across the country, to ensure that these long overdue plans to reduce pollution, improve visibility and public healthcare put in place as required by the Clean Air Act.

- The pollution from these power plants is significant, impacting visibility and public health in Wyoming and neighboring states and will be significantly reduced by widely used and cost effective control technologies. EPA's proposed plan will result in 77,153 tons per year of NO_x reduced – 17,538 more tons per year than Wyoming's plan.

- EPA is proposing to approve parts of Wyoming's state plan and put in place a federal plan for the remainder. Once finalized, the state and federal plans would generally require compliance, including the installation of emission controls, within five years [Jim Bridger Units 1 and 2 will have additional controls installed in 2021 and 2022].

- EPA's decision is based on a thorough analysis of available technologies, costs and visibility improvements to air quality. While regional haze decisions are based on facts and circumstances specific to each state, EPA's proposed action for Wyoming's plan is consistent

with others that EPA and the other states are making.

As part of the public comment process, EPA is specifically requesting that interested parties provide any additional information regarding control technology determinations and the timing of compliance actions under the proposed state and federal plans. EPA will consider all public comments and information received, including additional options for control technologies and timing, before issuing a final action.

From: Fells, Sandy

Sent: Thursday, August 01, 2013 10:14 AM

To: Daly, Carl; Fallon, Gail; Dygowski, Laurel

Cc: McGrath, Shaun; Cantor, Howard; Watchman-Moore, Derrith; Videtich, Callie; Smith, Paula; Trulove-Cranor, Whitney

Subject: Question from Sen. Tom Harkin's (D-Iowa) office re WY Regional Haze issue

Importance: High

Hi, Carl, Gail and Laurel – Please let me know if you are able to address this request. Looks like we'll need an issue paper on Laramie River Station for Kevin in OCIR to forward to Sen Harkin's office and then be available for a follow-up call, if needed. Issue paper will need to be concurred upon all the way up through the RA's office, since this is going through HQ. Deadline on these types of inquiries is usually "asap."

As always, thanks a million!

Sandy

Sandy Fells

Regional Congressional Liaison

EPA, Region 8, Denver

303-312-6604

From: Bailey, KevinJ

Sent: Thursday, August 01, 2013 9:47 AM
To: Ashley, Jackie; Terry, Sara; Fells, Sandy
Subject:

Looping in all those who may be of assistance here...

We received an inquiry from Senator Harkin's office on regulations to address regional haze, specifically requirements focused on the Laramie River Station coal power plant in Wheatland, WY. Apparently, they've been told that the Wyoming DEQ had proposed installation of low NOx burners with overfire air. They were also told that EPA initially accepted this proposal, but shortly thereafter changed its position and now is proposing to require installation of SCR systems.

They'd like to understand this issue from our perspective, including the history, the current status, and the rationale. The Senator's staff thinks this could be accomplished with an email outlining the information, perhaps with a short follow-up call.

Kevin J. Bailey

Congressional Liaison/Air Team

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